		FOR OHF USE					

LL1

2004
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2004)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0036798

Facility Name: Rosewood Care Center of Joliet

Address: 3401 Hennepin Drive (Number) Joliet (City) 60435 (Zip Code)

County: Will

Telephone Number: (815) 436-5900 **Fax #** ( )

IDPA ID Number: 431478199001

Date of Initial License for Current Owners: 1/31/1991

Type of Ownership:

	VOLUNTARY,NON-PROFIT	X	PROPRIETARY		GOVERNMENTAL
	Charitable Corp.		Individual		State
	Trust		Partnership		County
IRS Exemption Code		X	Corporation		Other
			"Sub-S" Corp.		
			Limited Liability Co.		
			Trust		
			Other		

In the event there are further questions about this report, please contact:
Name: Cindy A. Tefteller **Telephone Number:** (618) 465-7717

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 7/1/2003 to 6/30/2004 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider
(Signed) _____ (Date)
(Type or Print Name) _____
(Title) _____

Paid Preparer
(Signed) Accountant's Compilation Report Attached (Date)
(Print Name and Title) Cindy A. Tefteller
(Firm Name & Address) C.J. Schlosser & Company, L.L.C.
233 East Center Drive, Alton, IL 62002
(Telephone) (618) 465-7717 Fax # (618) 465-7710

MAIL TO: OFFICE OF HEALTH FINANCE
ILLINOIS DEPARTMENT OF PUBLIC AID
201 S. Grand Avenue East
Springfield, IL 62763-0001 **Phone # (217) 782-1630**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds _____

	1 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1	120	Skilled (SNF)	120	43,920	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	120	TOTALS	120	43,920	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Public Aid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF			13,160	13,160	8
9	SNF/PED					9
10	ICF	2,909	21,387		24,296	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	2,909	21,387	13,160	37,456	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 85.28%

D. How many bed-hold days during this year were paid by Public Aid?
26 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)
None

F. Does the facility maintain a daily midnight census? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES [ ] NO [X]

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?
YES [ ] NO [X]

I. On what date did you start providing long term care at this location?
Date started 1/31/1991

J. Was the facility purchased or leased after January 1, 1978?
YES [X] Date 1/31/1991 NO [ ]

K. Was the facility certified for Medicare during the reporting year?
YES [X] NO [ ] If YES, enter number of beds certified 58 and days of care provided 13,160

Medicare Intermediary Tri-Span

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [X] NO [ ]

Tax Year: 6/30/2004 Fiscal Year: 6/30/2004

* All facilities other than governmental must report on the accrual basis.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 **Report Period Beginning:** 7/1/2003 **Ending:** 6/30/2004

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger Salary/Wage 1	Supplies 2	Other 3	Total 4	Reclass-ification 5	Reclassified Total 6	Adjust-ments 7	Adjusted Total 8	FOR OHF USE ONLY 9	10	
	A. General Services											
1	Dietary	200,162	26,863	11,592	238,617		238,617		238,617			1
2	Food Purchase		170,349		170,349		170,349	(7,140)	163,209			2
3	Housekeeping	121,343	30,934		152,277		152,277		152,277			3
4	Laundry	40,367	14,636		55,003		55,003		55,003			4
5	Heat and Other Utilities			112,442	112,442		112,442	12	112,454			5
6	Maintenance	11,892	16,295	94,071	122,258		122,258	14,117	136,375			6
7	Other (specify):* Sanitation			10,367	10,367		10,367		10,367			7
8	**TOTAL General Services**	373,764	259,077	228,472	861,313		861,313	6,989	868,302			8
	B. Health Care and Programs											
9	Medical Director			10,875	10,875		10,875		10,875			9
10	Nursing and Medical Records	2,111,717	204,398		2,316,115		2,316,115		2,316,115			10
10a	Therapy	87,192	8,307	700,729	796,228		796,228	55,329	851,557			10a
11	Activities	59,101	4,265	540	63,906		63,906		63,906			11
12	Social Services	43,726	108	2,200	46,034		46,034		46,034			12
13	Nurse Aide Training											13
14	Program Transportation											14
15	Other (specify):*											15
16	**TOTAL Health Care and Programs**	2,301,736	217,078	714,344	3,233,158		3,233,158	55,329	3,288,487			16
	C. General Administration											
17	Administrative			1,258,800	1,258,800		1,258,800	(1,098,604)	160,196			17
18	Directors Fees											18
19	Professional Services			3,995	3,995		3,995	35,379	39,374			19
20	Dues, Fees, Subscriptions & Promotions			31,005	31,005	2,200	33,205	(9,397)	23,808			20
21	Clerical & General Office Expenses	150,886	36,086	16,576	203,548		203,548	199,581	403,129			21
22	Employee Benefits & Payroll Taxes			315,198	315,198		315,198	32,391	347,589			22
23	Inservice Training & Education											23
24	Travel and Seminar			3,141	3,141	(2,200)	941		941			24
25	Other Admin. Staff Transportation			3,882	3,882		3,882	14,233	18,115			25
26	Insurance-Prop.Liab.Malpractice			57,165	57,165		57,165	10,353	67,518			26
27	Other (specify):*											27
28	**TOTAL General Administration**	150,886	36,086	1,689,762	1,876,734		1,876,734	(816,064)	1,060,670			28
29	**TOTAL Operating Expense (sum of lines 8, 16 & 28)**	2,826,386	512,241	2,632,578	5,971,205		5,971,205	(753,746)	5,217,459			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.

SEE ACCOUNTANTS' COMPILATION REPORT

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number Rosewood Care Center of Joliet #0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4	5	6	7	8	9	10	
	D. Ownership											
30	Depreciation			9,122	9,122		9,122	194,919	204,041			30
31	Amortization of Pre-Op. & Org.											31
32	Interest							603,972	603,972			32
33	Real Estate Taxes			72,930	72,930		72,930		72,930			33
34	Rent-Facility & Grounds			2,011,036	2,011,036		2,011,036	(1,997,926)	13,110			34
35	Rent-Equipment & Vehicles			12,605	12,605		12,605		12,605			35
36	Other (specify):* Mortgage Insur.							175,759	175,759			36
37	**TOTAL Ownership**			2,105,693	2,105,693		2,105,693	(1,023,276)	1,082,417			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		362,866	31,981	394,847		394,847	(2,656)	392,191			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			65,880	65,880		65,880		65,880			42
43	Other (specify):*											43
44	**TOTAL Special Cost Centers**		362,866	97,861	460,727		460,727	(2,656)	458,071			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	2,826,386	875,107	4,836,132	8,537,625		8,537,625	(1,779,678)	6,757,947			45

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Reference	3 OHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(6,658)	2		4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation				9
10	Interest and Other Investment Income	(5,384)	32		10
11	Discounts, Allowances, Rebates & Refunds	(2,656)	39		11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(482)	2		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees	(3,000)	20		17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions				20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt				24
25	Fund Raising, Advertising and Promotional	(2,218)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising	(5,703)	20		28
29	Other-Attach Schedule Marketing Salary	(57,501)	21		29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (83,602)		$	30

OHF USE ONLY								
48		49		50		51		52

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(1,696,076)	Var	34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ (1,696,076)		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (1,779,678)		37

***These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.**

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.		X	$		38
39						39
40	Gift and Coffee Shops		X			40
41	Barber and Beauty Shops		X			41
42	Laboratory and Radiology		X			42
43	Prescription Drugs		X			43
44	Exceptional Care Program		X			44
45	Other-Attach Schedule		X			45
46	Other-Attach Schedule		X			46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Rosewood Care Center of Joliet

ID# 0036798

Report Period Beginning: 7/1/2003

Ending: 6/30/2004

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1	Eliminate marketing salary	$ (57,501)	21	1
2				2
3				3
4				4
5				5
6				6
7				7
8				8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	**Total**	(57,501)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Rosewood Care Center of Joliet **#** 0036798 **Report Period Beginning:** 7/1/2003 **Ending:** 6/30/2004

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(7,140)	0	0	0	0	0	0	0	0	0	0	(7,140)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	0	12	0	0	0	0	0	0	0	0	12	5
6	Maintenance	0	0	14,117	0	0	0	0	0	0	0	0	14,117	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	**TOTAL General Services**	(7,140)	0	14,129	0	0	0	0	0	0	0	0	6,989	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	0	0	0	0	0	0	0	0	0	10
10a	Therapy	0	55,329	0	0	0	0	0	0	0	0	0	55,329	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	**TOTAL Health Care and Programs**	0	55,329	0	0	0	0	0	0	0	0	0	55,329	16
	C. General Administration													
17	Administrative	0	(1,258,800)	160,196	0	0	0	0	0	0	0	0	(1,098,604)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	0	35,379	0	0	0	0	0	0	0	0	35,379	19
20	Fees, Subscriptions & Promotions	(10,921)	0	1,524	0	0	0	0	0	0	0	0	(9,397)	20
21	Clerical & General Office Expenses	(57,501)	0	257,082	0	0	0	0	0	0	0	0	199,581	21
22	Employee Benefits & Payroll Taxes	0	0	32,391	0	0	0	0	0	0	0	0	32,391	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	0	0	0	0	0	0	0	0	0	0	24
25	Other Admin. Staff Transportation	0	0	14,233	0	0	0	0	0	0	0	0	14,233	25
26	Insurance-Prop.Liab.Malpractice	0	0	10,353	0	0	0	0	0	0	0	0	10,353	26
27	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	27
28	**TOTAL General Administration**	(68,422)	(1,258,800)	511,158	0	0	0	0	0	0	0	0	(816,064)	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	(75,562)	(1,203,471)	525,287	0	0	0	0	0	0	0	0	(753,746)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 **Report Period Beginning:** 7/1/2003 **Ending:** 6/30/2004

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
30	Depreciation	0	175,786	19,133	0	0	0	0	0	0	0	0	194,919	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(5,384)	609,356	0	0	0	0	0	0	0	0	0	603,972	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	(2,011,036)	13,110	0	0	0	0	0	0	0	0	(1,997,926)	34
35	Rent-Equipment & Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Other (specify):*	0	175,759	0	0	0	0	0	0	0	0	0	175,759	36
37	**TOTAL Ownership**	(5,384)	(1,050,135)	32,243	0	0	0	0	0	0	0	0	(1,023,276)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	(2,656)	0	0	0	0	0	0	0	0	0	0	(2,656)	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	**TOTAL Special Cost Centers**	(2,656)	0	0	0	0	0	0	0	0	0	0	(2,656)	44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	(83,602)	(2,253,606)	557,530	0	0	0	0	0	0	0	0	(1,779,678)	45

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
Larry Vander Maten	75.00%	See Attached List		See Attached List		
Darrell Hoefling	25.00%	See Attached List		See Attached List		

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	17	Management Fee	$ 1,258,800	HSM Management Services, Inc.	100.00%	$	$ (1,258,800)	1
2	V								2
3	V	10a	Therapy	700,729	Rosewood Therapy Services, Inc.	0.00%	756,058	55,329	3
4	V								4
5	V	34	Rent	2,011,036	Joliet Real Estate, Inc.	0.00%		(2,011,036)	5
6	V	30	Depreciation		Joliet Real Estate, Inc.		175,786	175,786	6
7	V	32	Interest		Joliet Real Estate, Inc.		609,356	609,356	7
8	V	36	Mortgage Insurance		Joliet Real Estate, Inc.		175,759	175,759	8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			$ 3,970,565			$ 1,716,959	$ * (2,253,606)	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	17	See Schedule VIII	$	HSM Management Services, Inc.	100.00%	$ 160,196	$ 160,196	15
16	V	21	See Schedule VIII		HSM Management Services, Inc.	100.00%	257,082	257,082	16
17	V	22	See Schedule VIII		HSM Management Services, Inc.	100.00%	32,391	32,391	17
18	V	25	See Schedule VIII		HSM Management Services, Inc.	100.00%	14,233	14,233	18
19	V	30	See Schedule VIII		HSM Management Services, Inc.	100.00%	19,133	19,133	19
20	V	34	See Schedule VIII		HSM Management Services, Inc.	100.00%	13,110	13,110	20
21	V	19	See Schedule VIII		HSM Management Services, Inc.	100.00%	35,379	35,379	21
22	V	26	See Schedule VIII		HSM Management Services, Inc.	100.00%	10,353	10,353	22
23	V	6	See Schedule VIII		HSM Management Services, Inc.	100.00%	14,117	14,117	23
24	V	5	See Schedule VIII		HSM Management Services, Inc.	100.00%	12	12	24
25	V	20	See Schedule VIII		HSM Management Services, Inc.	100.00%	1,524	1,524	25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$			$ 557,530	$ * 557,530	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1	2	3	4	5	6		7		8	
						Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		Compensation Included in Costs for this Reporting Period**			
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Hours	Percent	Description	Amount	Schedule V. Line & Column Reference	
1	Larry Vander Maten	President	Management	75.00	698,118	3	6.85%	Salary	$ 51,319	17-8	1
2	Darrell Hoefling	Vice-President	Management	25.00	412,699	3	6.85%	Salary	30,338	17-8	2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	$ 81,657		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: HSM Management Services, Inc.
Street Address: 11701 Borman Drive, Suite 315
City / State / Zip Code: St. Louis, MO 63146
Phone Number: (314) 994-9070
Fax Number: (314) 994-9912

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	17	Salaries - Officers	Total Cost	82,623,207	18	$ 1,192,475	$ 1,192,475	5,657,805	$ 81,657	1
2	21	Salaries - Others	Total Cost	82,623,207	18	3,339,865	3,339,865	5,657,805	228,705	2
3	22	Payroll Taxes	Total Cost	82,623,207	18	299,623		5,657,805	20,517	3
4	22	Employee Benefits	Total Cost	82,623,207	18	84,374		5,657,805	5,778	4
5	25	Travel	Total Cost	82,623,207	18	207,846		5,657,805	14,233	5
6	30	Depreciation	Total Cost	82,623,207	18	279,401		5,657,805	19,133	6
7	34	Building Rent	Total Cost	82,623,207	18	191,446		5,657,805	13,110	7
8	19	Professional Services	Total Cost	82,623,207	18	516,651		5,657,805	35,379	8
9	21	Telephone	Total Cost	82,623,207	18	181,396		5,657,805	12,421	9
10	26	Insurance	Total Cost	82,623,207	18	151,190		5,657,805	10,353	10
11	21	Taxes, Licenses, & Other Sup.	Total Cost	82,623,207	18	233,014		5,657,805	15,956	11
12	6	Maintenance	Total Cost	82,623,207	18	161,460		5,657,805	11,056	12
13	5	Heat & Other Utilities	Total Cost	82,623,207	18	178		5,657,805	12	13
14	20	Dues & Subscriptions	Total Cost	82,623,207	18	22,253		5,657,805	1,524	14
15	17	Direct - Admin	Direct Cost	1	1	78,539	78,539	1	78,539	15
16	17	Direct - Admin	Direct Cost	16	16	923,412	923,412	0	0	16
17	22	Direct - Payroll Taxes	Direct Cost	1	1	6,096		1	6,096	17
18	22	Direct - Payroll Taxes	Direct Cost	12	12	71,675		0	0	18
19	30	Direct - Depreciation	Direct Cost	1	1	0		1	0	19
20	30	Direct - Depreciation	Direct Cost	1	1	2,040		0	0	20
21	25	Direct - Travel	Direct Cost	1	1	0		1	0	21
22	25	Direct - Travel	Direct Cost	1	1	142		0	0	22
23	6	Direct - Maintenance	Direct Cost	1	1	3,061		1	3,061	23
24	6	Direct - Maintenance	Direct Cost	14	14	19,677		0	0	24
25	TOTALS					$ 7,965,814	$ 5,534,291		$ 557,530	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related Long-Term											
1	Bank of America		X	Mortgage	Varies	6/03	$ 13,534,524	$ 0	7/2004	LIBOR+1.	$ 497,952	1
2	Highland Mortgage Co.		X	Mortgage Refinance	$69,651.56	4/04	14,717,500	14,688,524	5/2039	4.50%	128,724	2
3	Less: Related Party Interest Income										(51,208)	3
4	Amortization of Loan Fees										33,888	4
5	Interest Income Offset										(5,384)	5
	Working Capital											
6												6
7												7
8												8
9	TOTAL Facility Related				$69,651.56		$ 28,252,024	$ 14,688,524			$ 603,972	9
	B. Non-Facility Related*											
10												10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						$	$			$	14
15	TOTALS (line 9+line14)						$ 28,252,024	$ 14,688,524			$ 603,972	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. $ 175,759 Line # 36

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)

SEE ACCOUNTANTS' COMPILATION REPORT

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.

1. Real Estate Tax accrual used on 2003 report.	$	75,775	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)	$	74,331	2
3. Under or (over) accrual (line 2 minus line 1).	$	(1,444)	3
4. Real Estate Tax accrual used for 2004 report. (Detail and explain your calculation of this accrual on the lines below.)	$	74,374	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)	$		5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND $ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)	$		6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.	$	72,930	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:			
	1999	84,056	8
	2000	85,739	9
	2001	75,939	10
	2002	75,025	11
	2003	73,638	12

2002 Payment = $37,512
2003 Payment = $36,819
Accrual = Balance of 2003 tax bill (36,819) and 1/2 of estimated 2004 tax bill (37,555)

	FOR OHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2003	$	13
14	PLUS APPEAL COST FROM LINE 5	$	14
15	LESS REFUND FROM LINE 6	$	15
16	AMOUNT TO USE FOR RATE CALCULATION	$	16

NOTES:

1. **Please indicate a negative number by use of brackets( ). Deduct any overaccrual of taxes from prior year.**
2. **If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.**
   This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2003 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2003 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2003.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2003 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2004 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2003 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Rosewood Care Center of Joliet COUNTY Will

FACILITY IDPH LICENSE NUMBER 0036798

CONTACT PERSON REGARDING THIS REPORT Chuck Schmitz

TELEPHONE (314) 994-9070 FAX #: (314) 994-9912

A. **Summary of Real Estate Tax Cost**

Enter the tax index number and real estate tax assessed for 2003 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2003.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	06-03-26-203-001-0000		$ 73,637.78	$ 73,637.78
2.			$	$
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 73,637.78	$ 73,637.78

B. **Real Estate Tax Cost Allocations**

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? _____ YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. **Tax Bills**

Attach a copy of the original 2003 tax bills which were listed in Section A to this statement. Be sure to use the 2003 tax bill which is normally paid during 2004.

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 39,200 B. General Construction Type: Exterior Brick Frame Wood Number of Stories 1

C. Does the Operating Entity? [ ] (a) Own the Facility [X] (b) Rent from a Related Organization. [ ] (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? [ ] (a) Own the Equipment [X] (b) Rent equipment from a Related Organization. [ ] (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

None

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [X] NO
If so, please complete the following:

1. Total Amount Incurred: 2. Number of Years Over Which it is Being Amortized:

3. Current Period Amortization: 4. Dates Incurred:

Nature of Costs:
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	Nursing Home	203,860	1990	$ 213,780	1
2					2
3	TOTALS	203,860		$ 213,780	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	120			1990	$ 3,475,917	$	25	$ 139,037	$ 139,037	$ 1,946,518	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	General Requirements			1991	25,516		25	1,021	1,021	13,784	9
10	Developer Fee			1991	28,980		25	1,159	1,159	15,647	10
11	Construction Period Interest			1991	20,364		25	815	815	11,003	11
12	Arch and Eng Fees			1991	4,459		25	178	178	2,403	12
13	Storm Sewer			1991	32,675		25	1,307	1,307	17,645	13
14	Lawn Sprinkler			1991	10,990		25	440	440	5,940	14
15	Landscaping			1991	55,127		25	2,205	2,205	29,768	15
16	Mass Grading			1991	54,747		25	2,190	2,190	29,565	16
17	Asphalt Paving			1991	48,390		25	1,936	1,936	26,136	17
18	Sanitary Sewer			1991	8,069		25	323	323	4,361	18
19	Water Line			1991	15,500		25	620	620	8,370	19
20	Driveway and Sidewalks			1991	55,932		25	2,237	2,237	30,200	20
21	Walk-in Cooler Refrigerator			1991	6,888		20	344	344	4,644	21
22	Sink			1991	2,049		10			2,049	22
23	Exhaust and Air Hood			1991	4,670		10			4,670	23
24	Fire Exting. System			1991	1,647		10			1,647	24
25	Combo. Range/Hood			1991	3,925		10			3,925	25
26	Building Signage			1991	7,300		10 to 15	304	304	6,838	26
27	Generator/Accessories			1991	15,764		20	788	788	10,638	27
28	Cubicle Curtain Track			1991	6,176		10			6,176	28
29	6 Stainless Doors			1991	2,685		10			2,685	29
30	Monument Sign			1991	3,193		10			3,193	30
31	Wallcovering			1991	19,849		10			19,849	31
32	Carpeting			1991	9,585		10			9,585	32
33	Nurse Call Station			1991	28,217		20	1,411	1,411	19,049	33
34	Fire Alarm System			1991	15,724		20	786	786	10,611	34
35	Continued on Next Page										35
36											36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37	Door Bell	1991	$ 1,026	$	20	$ 51	$ 51	$ 689	37
38	Door Alarm	1991	5,773		20	289	289	3,902	38
39	Public Address	1991	5,022		20	251	251	3,389	39
40	Cable	1991	15,712		20	786	786	10,611	40
41	Hot Water Boiler	1991	6,792		10			6,792	41
42	Hot Water Heater	1991	7,841		10			7,841	42
43	Load Bank Generator	1997	3,945		10	395	395	2,897	43
44	Seal & Stripe New Parking Spaces	2003	11,439		25	305	305	305	44
45									45
46	Leasehold Improvements - Facility:								46
47	Painting/Baseboards/Tiling	1995	14,902		7			14,902	47
48	Carpeting	1996	4,157		7			4,157	48
49	Floor Drain	1997	1,604	229	7	229		1,527	49
50	Entry Floor Mat	1999	1,213	173	7	173		924	50
51	Ceiling Tiles	1999	1,820	260	7	260		1,365	51
52	Plants	1999	2,441	349	7	349		1,802	52
53	Wallpaper/Wallpaper Install/Blinds	1999	14,251	2,036	7	2,036		10,825	53
54	Air System	1999	13,860	1,980	7	1,980		10,065	54
55	Carpeting	1999	14,300	2,043	7	2,043		9,704	55
56	Computer Cabling	2000	2,392	341	7	341		1,224	56
57									57
58	Leasehold Improvements - Management Company:								58
59	Office Construction/Improvements	1995	524		5			524	59
60	Office Design	1995	48		5			48	60
61	Office Shelving	1996	112		4			112	61
62	Office Expansion	1996	495		4			495	62
63	Office Expansion	1997	1,325		3			1,325	63
64	Office Expansion	1998	747		3			747	64
65	Office Addition	1999	369		3			369	65
66	Door Locks	1999	184		3			184	66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		$ 4,096,632	$ 7,411		$ 166,589	$ 159,178	$ 2,343,624	70

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	$ 264,202	$ 1,711	$ 27,083	$ 25,372	5-10 Yrs	$ 174,308	71
72	Current Year Purchases	32,776		2,562	2,562	5-10 Yrs	2,562	72
73	Fully Depreciated Assets	544,957					544,957	73
74								74
75	TOTALS	$ 841,935	$ 1,711	$ 29,645	$ 27,934		$ 721,827	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	HSM Management	Various	Various	$ 39,269	$	$ 7,807	$ 7,807	4 Yrs	$ 15,388	76
77										77
78										78
79										79
80	TOTALS			$ 39,269	$	$ 7,807	$ 7,807		$ 15,388	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 5,191,616	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 9,122	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 204,041	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ 194,919	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 3,080,839	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86	Section Not Applicable	$	$	$	86
87					87
88					88
89					89
90					90
91	TOTALS	$	$	$	91

G. Construction-in-Progress

	Description	Cost	
92	Section Not Applicable	$	92
93			93
94			94
95		$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: Schedule Not Applicable

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions. ☐ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				$			3
4	Additions							4
5								5
6								6
7	TOTAL				$ **			7

8. List separately any amortization of lease expense included on page 4, line 34. ____
This amount was calculated by dividing the total amount to be amortized ____
by the length of the lease ____.

9. Option to Buy: ☐ YES ☐ NO Terms: ____ *

10. Effective dates of current rental agreement:
Beginning ____
Ending ____

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2005	$
13.	/2006	$
14.	/2007	$

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? ☐ YES ☐ NO

16. Rental Amount for movable equipment: $ ____ Description: ____
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			$	$	17
18					18
19					19
20					20
21	TOTAL		$	$	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

XIII. EXPENSES RELATING TO NURSE AIDE TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD? [ ] YES [X] NO

N/A - ONLY HIRE CERTIFIED AIDES
If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

2. CLASSROOM PORTION:
- IN-HOUSE PROGRAM [ ]
- IN OTHER FACILITY [ ]
- COMMUNITY COLLEGE [ ]
- HOURS PER AIDE ____

3. CLINICAL PORTION:
- IN-HOUSE PROGRAM [ ]
- IN OTHER FACILITY [ ]
- HOURS PER AIDE ____

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	$	$	$	$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	$	$	$	$
10	SUM OF line 9, col. 1 and 2 (e)	$			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.
(e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

	1	2		3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff Units of Service	Staff Cost	Outside Practitioner (other than consultant) Units	Outside Practitioner (other than consultant) Cost	Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
1	Licensed Occupational Therapist	10a-8	hrs	$	29,378	$ 374,791	$	29,378	$ 374,791	1
2	Licensed Speech and Language Development Therapist	10a-8	hrs		1,528	30,259		1,528	30,259	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10a-8	hrs		31,381	351,008	8,307	31,381	359,315	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	39-8	# of prescrpts				340,435		340,435	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Ambulance, X-Ray, Enterral Supplies Other (specify): & Lab Fees	39-8				29,325	22,431		51,756	13
14	TOTAL			$	62,287	$ 785,383	$ 371,173	62,287	$ 1,156,556	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

XV. BALANCE SHEET - Unrestricted Operating Fund. As of 6/30/2004 (last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$ (244,478)	$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 100,000)	1,192,902		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	6,672		6
7	Other Prepaid Expenses	3,078		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 958,174	$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost	82,914		15
16	Equipment, at Historical Cost			16
17	Accumulated Depreciation (book methods)	(63,921)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 18,993	$	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 977,167	$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 288,039	$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	164,761		30
31	Accrued Taxes Payable (excluding real estate taxes)	11,790		31
32	Accrued Real Estate Taxes(Sch.IX-B)	74,374		32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes	54,200		35
	Other Current Liabilities(specify):			
36	Accrued Management Fees	297,000		36
37				37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 890,164	$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$	$	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 890,164	$	46
47	**TOTAL EQUITY(page 18, line 24)**	$ 87,003	$	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 977,167	$	48

SEE ACCOUNTANTS' COMPILATION REPORT

***(See instructions.)**

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ 80,235	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ 80,235	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	288,768	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	(282,000)	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	**TOTAL Additions (deductions) (sum of lines 7-16)**	$ 6,768	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	**TOTAL Transfers (sum of lines 18-22)**	$	23
24	**BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)**	$ 87,003	24 *

*** This must agree with page 17, line 47.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 9,413,029	1
2	Discounts and Allowances for all Levels	(3,312,253)	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 6,100,776	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	2,973,898	6
7	Oxygen		7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 2,973,898	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care	3,900	13
14	Non-Patient Meals	6,658	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services		21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 10,558	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	5,384	25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 5,384	26
	E. Other Revenue (specify):**		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Lab Discounts	2,656	28
28a	Miscellaneous	5,501	28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ 8,157	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 9,098,773	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	861,313	31
32	Health Care	3,233,158	32
33	General Administration	1,876,734	33
	B. Capital Expense		
34	Ownership	2,105,693	34
	C. Ancillary Expense		
35	Special Cost Centers	394,847	35
36	Provider Participation Fee	65,880	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 8,537,625	40
41	**Income before Income Taxes (line 30 minus line 40)****	561,148	41
42	**Income Taxes**	(272,380)	42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ 288,768	43

* **This must agree with page 4, line 45, column 4.**

** **Does this agree with taxable income (loss) per Federal Income Tax Return? Yes If not, please attach a reconciliation.**

*** **See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation. SEE ACCOUNTANTS' COMPILATION REPORT**

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.**

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)
(This schedule must cover the entire reporting period.)

		1 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	1,686	1,785	$ 53,069	$ 29.73	1
2	Assistant Director of Nursing	2,462	2,607	64,192	24.62	2
3	Registered Nurses	23,636	25,030	656,143	26.21	3
4	Licensed Practical Nurses	21,712	22,992	452,350	19.67	4
5	Nurse Aides & Orderlies	75,110	79,539	811,033	10.20	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	5,340	5,654	87,192	15.42	8
9	Activity Director					9
10	Activity Assistants	5,494	5,818	59,101	10.16	10
11	Social Service Workers	3,840	4,066	43,726	10.75	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook					14
15	Cook Helpers/Assistants	19,196	20,328	200,162	9.85	15
16	Dishwashers					16
17	Maintenance Workers	1,056	1,119	11,892	10.63	17
18	Housekeepers	15,044	15,931	121,343	7.62	18
19	Laundry	5,309	5,623	40,367	7.18	19
20	Administrator					20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	13,658	14,463	150,886	10.43	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	4,913	5,203	74,930	14.40	31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	198,456	210,158	$ 2,826,386 *	$ 13.45	34

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant	525	$ 11,592	1-3	35
36	Medical Director	Contract	10,875	9-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant				39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	30	540	11-3	44
45	Social Service Consultant	120	2,200	12-3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	675	$ 25,207		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses		$ Section N/A		50
51	Licensed Practical Nurses				51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		$		53

SEE ACCOUNTANTS' COMPILATION REPORT

* This total must agree with page 4, column 1, line 45.

** See instructions.

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
William Matjasich	Administrator	0.00%	$ 78,539
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			$ 78,539

B. Administrative - Other

Description	Amount
Management Fees	$ 1,258,800
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)	$ 1,258,800

C. Professional Services

Vendor/Payee	Type	Amount
C.J. Schlosser & Company	Accountant/Consultant	$ 3,950
	Legal Fees	45
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed $2500 attach copy of invoices.)		$ 3,995

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 57,240
Unemployment Compensation Insurance	28,889
FICA Taxes	211,729
Employee Health Insurance	9,758
Employee Meals	
Illinois Municipal Retirement Fund (IMRF)*	
Tuition Reimbursement	250
Employee Physicals	3,254
Employee Uniforms	520
Employee Relations	3,558
Management Company Allocations	32,391
TOTAL (agree to Schedule V, line 22, col.8)	$ 347,589

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
Section Not Applicable		$
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$ 2,200
Advertising: Employee Recruitment	11,708
Health Care Worker Background Check	
(Indicate # of checks performed 81)	980
Promotional Advertising	7,921
Misc. Dues & Subscriptions	7,396
Management Company Allocations	1,524
Less: Public Relations Expense	(1,599)
Non-allowable advertising	(619)
Yellow page advertising	(5,703)
TOTAL (agree to Sch. V, line 20, col. 8)	$ 23,808

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	
Seminar Expense	941
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 941

* Attach copy of IMRF notifications

**See instructions.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 Report Period Beginning: 7/1/2003 Ending: 6/30/2004

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
1	Schedule Not Applicable		$		$	$	$	$	$	$	$	$	$
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		$		$	$	$	$	$	$	$	$	$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Rosewood Care Center of Joliet # 0036798 **Report Period Beginning:** 7/1/2003 **Ending:** 6/30/2004

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? **No**

(2) Are there any dues to nursing home associations included on the cost report? **Yes**
If YES, give association name and amount. **Illinois Health Care Association - $6,480**

(3) Did the nursing home make political contributions or payments to a political action organization? **No** If YES, have these costs been properly adjusted out of the cost report? **N/A**

(4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? **No** If YES, what is the capacity? **N/A**

(5) Have you properly capitalized all major repairs and equipment purchases? **Yes**
What was the average life used for new equipment added during this period? **10 Yrs**

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **67,104** Line **10**

(7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? **Yes** If NO, attach a complete explanation.

(8) Are you presently operating under a sale and leaseback arrangement? **No**
If YES, give effective date of lease. **N/A**

(9) Are you presently operating under a sublease agreement? YES **X** NO

(10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO **X** If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.
N/A

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. $ **65,880**
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? **No** If YES, attach an explanation of the allocation.

SEE ACCOUNTANTS' COMPILATION REPORT

(13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? **Yes**

(14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? **No** For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ **0** Has any meal income been offset against related costs? **Yes** Indicate the amount. $ **6,658**

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? **No**
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? **No** If YES, please indicate the amount of income earned from such a program during this reporting period. $ **N/A**
c. What percent of all travel expense relates to transportation of nurses and patients? **N/A**
d. Have vehicle usage logs been maintained? **N/A**
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? **N/A**
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? **N/A**
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. $ **N/A**

(17) Has an audit been performed by an independent certified public accounting firm? **No**
Firm Name: **N/A** The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? **N/A** If no, please explain. **N/A**

(18) Have all costs which do not relate to the provision of long term care been adjusted out out of Schedule V? **Yes**

(19) If total legal fees are in excess of $2500, have legal invoices and a summary of services performed been attached to this cost report? **N/A**
Attach invoices and a summary of services for all architect and appraisal fees.

ROSEWOOD CARE CENTER INC. OF JOLIET
IDPH ID #0036798
ATTACHMENT TO SCHEDULE V, LINE 25
6/30/2004

OTHER ADMIN. STAFF TRANSPORTATION:

MILEAGE REIMBURSEMENT**	$ 3,882
	$ 3,882

**ALL MILEAGE REIMBURSEMENTS ARE FOR TRAVEL VOUCHERS SUBMITTED WHICH WERE LESS THAN $250.00 EACH

ROSEWOOD CARE CENTER INC. OF JOLIET
IDPH ID #0036798
ATTACHMENT TO SCHEDULE VII, SECTION A.
6/30/2004

RELATED NURSING HOME:	CITY:
ROSEWOOD CARE CENTER OF ALTON	ALTON, IL
ROSEWOOD CARE CENTER OF EAST PEORIA	EAST PEORIA, IL
ROSEWOOD CARE CENTER OF EDWARDSVILLE	EDWARDSVILLE, IL
ROSEWOOD CARE CENTER OF ELGIN	ELGIN, IL
ROSEWOOD CARE CENTER OF GALESBURG	GALESBURG, IL
ROSEWOOD CARE CENTER OF INVERNESS	INVERNESS, IL
ROSEWOOD CARE CENTER OF MOLINE	MOLINE, IL
ROSEWOOD CARE CENTER OF NORTHBROOK	NORTHBROOK, IL
ROSEWOOD CARE CENTER OF PEORIA	PEORIA, IL
ROSEWOOD CARE CENTER OF ROCKFORD	ROCKFORD, IL
ROSEWOOD CARE CENTER OF ST. CHARLES	ST. CHARLES, IL
ROSEWOOD CARE CENTER OF ST. LOUIS	ST. LOUIS, MO
ROSEWOOD CARE CENTER OF SWANSEA	SWANSEA, IL

OTHER RELATED BUSINESS ENTITIES:	TYPE OF BUSINESS:
HSM MANAGEMENT SERVICES, INC.	MANAGEMENT CO.
JOLIET REAL ESTATE, INC.	REAL ESTATE LSG.
HSM DEVELOPMENT, INC.	DEVELOPMENT CO.
RCC HOLDING COMPANY	HOLDING COMPANY
ROSEWOOD HOME HEALTH	HOME HEALTH CO.
ROSEWOOD THERAPY SERVICES	THERAPY COMPANY